

The Disability Tax Credit Ultimate Resource Guide

An extensive guide to help you navigate around
the Disability Tax Credit (Updated February 2021)

*Learn all about the Disability Tax Credit Definition,
Eligibility and Application Process*



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Introduction

The following Disability Tax Credit guide has been updated as of February 2021 to ensure all information is accurate and up to date. Specifically, the Disability Tax Credit amounts, the application process, and other relevant information.

Although the Disability Tax Credit program has been available since 1988, many Canadians and their medical practitioners have a problem understanding it fully, and consequently, the DTC is grossly under-utilized by otherwise eligible Canadians. To help shed light on this underutilized tax program, inform Canadians of the DTC's various financial benefits, and de-mystify the application process, we wrote this comprehensive guide.

Our goal is to help educate and inform Canadians on the various aspects of the DTC application process, from understanding the DTC's eligibility criteria to filling out the T-2201 form. We hope that by the end of this guide, you will have a firm grasp of what the DTC is, how to apply, and any additional resources you can use to help build a strong case in your favour.

Once approved for the Disability Tax Credit, you will be able to receive the refunds you are deemed eligible for. You can potentially receive up to 10 years of retroactive refunds, an annual refund moving forward as well as an additional Child Disability Tax Benefit if your child is the one impaired. You will also gain access to different governmental and provincial benefit programs, such as the Registered Disability Saving Plan (RDSP).

Please Note: This guide was written to be as accurate and comprehensive as possible using our expertise and knowledge gained over years of experience and thousands of cases processed - however, this guide is meant to educate and inform but it is NOT meant to replace the Canada Revenue Agency's official documentation so please use it wisely.



What Is the Disability Tax Credit?

The [Disability Tax Credit \(DTC\)](#) is a non-refundable tax credit created by the Canadian Government and Canada Revenue Agency (CRA) and its purpose is to reduce the amount of income tax Canadians with disabilities and/or their families and supporters would have to pay annually hence assist with the various financial implications and expenses of having a disability or a substantial impairment. The DTC also provides an extra credit/refund (supplement) if the person found eligible is under 18 years of age at the end of the year.

The tax credit is broken down into Provincial and Federal amounts, with the Federal portion being the same across the country and the Provincial percentage varying from Province to Province.

To be found eligible for DTC, you must experience difficulty performing activities of daily living such as walking, feeding yourself, hearing, speaking, or other debilitating conditions that affect day-to-day living.

After you are found eligible for DTC, many other federal, provincial, or territorial programs such as [RDSP](#), Canada Worker's Benefit, and the Child Disability Benefit are available to you.

How Was the Disability Tax Credit Established?

The Canada Revenue Agency (CRA) introduced the Disability Tax Credit program to help the 22% of Canadians (CSD, 2020) and their families living with prolonged physical or mental impairments. The CRA created the program to offset the various costs associated with those impairments, such as medications, special equipment, personal support, etc.

According to the findings from the most recent [Canadian Survey on Disability \(CSD\)](#), one in five Canadians (6.2 million) has one or more disabilities that restrict their daily activities' performance.

Before 1986, the Canada Revenue Agency had a standard deduction reserved for individuals who used wheelchairs or were blind. When more disabilities and mental illnesses became more visible and recognized, the CRA introduced more taxable income benefits to those who suffered from these conditions.

In 2005, "prolonged impairments" became the definition to help people determine their eligibility. This definition created a path for persons with disabilities that struggled with everyday tasks to receive disability benefits.

How Do Canadians Qualify for the Disability Tax Credit Program?

There are two different levels considered when qualifying for the DTC: the first being disabled, meaning that you cannot perform [basic activities in your daily life](#), the second is slowed, meaning you take a significant amount of time to perform basic activities in your everyday life. Both disabled and slowed individuals can qualify for DTC, and both will receive the same level of benefits.

Many who consider themselves "slowed" never look into the DTC due to the perception that the benefit is only for those who are severely disabled. However, this is a misconception. Those who are slowed due to their impairments can also apply for DTC. For example, conditions like arthritis may cause a person to perform day-to-day tasks slower than others, making them eligible for DTC.

While the DTC provides more significant tax equity as well as assistance with disability costs that one may face, it does not in any way formally designate or label a person as disabled. The DTC was created to help impaired people that can still work and those who are too disabled to continue to work.

Is the Disability Tax Credit Federal or Provincial?

The DTC is a Federal tax credit program available to all Canadians and is administered by the Canada Revenue Agency (CRA).

The amount you receive from the government as DTC consists of a Provincial amount and a Federal amount. The amount received is determined by the base Federal amount, which will be the same regardless of the province you live in, and the Provincial amount, which differs from Province to Province.

The DTC program was created to reduce the amount of income tax Canadians with disabilities must pay. Because of this, the Provincial amount changes based on the Province you live in, just as the amount of taxes you pay is different in each Province.

Note: In the “How Is the Disability Tax Credit Calculated?” we will touch more on how the amount you receive from Provincial and Federal sources is determined.

DID YOU KNOW?

How Does The Disability Tax Credit Affect Your Other Governmental or Provincial Benefits?

- The DTC is a federal program and does not affect or alter your status of other government or provincial programs such as OSAP/student loans, ODSP (Ontario), AISH (Alberta), Disability Assistance (British Columbia), etc.
- Once found eligible for the DTC, and as long as you are under 59 (must be under 49 to receive Government matching contributions) you are also automatically qualified to set up a Registered Disability Savings Plan (RDSP). The RDSP is a long-term savings plan providing benefits in disability savings, grants, and bonds.
- As part of the DTC, the Child Disability Benefit is a tax-free monthly payment (not based on Federal taxes paid) made to families who care for a child under age 18 with a severe and prolonged impairment in physical or mental functions.

What Are The Disability Tax Credit Eligibility Criteria?

To be eligible for the DTC, you must:

1. Be a Canadian citizen or Permanent Resident.
2. Prove that either you cope with a prolonged impairment, marked restriction, have two or more significant restrictions, or are dependent upon “life-sustaining” therapy. Please note that eligibility for the DTC does not mean that you will be getting any money (credits or refunds) from the CRA; rather, the CRA found your impairment eligible to receive the Disability Tax Credits. Therefore, if you or your supporter did not pay federal taxes during the eligibility period, you will not receive any money.

How to Determine Your Eligibility for the Disability Tax Credit

The DTC is intended to help people who cope with prolonged or permanent impairment. The impairment must cause a significant restriction on the person’s ability to carry out ‘activities of daily living’ (ADL).

The ADL, recognized as a vital marker for Disability Tax Credit eligibility in Canada, includes bathing, dressing, walking, carrying, lifting, and other personal care elements.

The eligible impairments are generally divided into three main categories. However, it is crucial to understand that the Disability Tax Credit’s eligibility is not based on the diagnosis of the impairment, but rather the severity of the impairment and how it affects your ‘activities of daily living’ as described above.

The 3 Main Impairment Categories that Determine the DTC Eligibility

There are three categories of impairments, all with different conditions that are eligible for DTC. The three categories are:

- Physical impairments
- Mental illness and psychological impairments
- Neurological impairments

As mentioned previously, being diagnosed with one of the following impairments does not make you eligible for DTC. Eligibility is instead based on the severity of the impairment and how it affects your ‘activities of daily living.’

This section will cover each category and the common conditions that fall under them to make one eligible for DTC.

Disability Tax Credit Eligibility for Physical Impairments

Physical impairment covers a wide range of debilitating conditions that prevent someone from naturally living their day to day life. A physical impairment diagnosis is not enough to make one eligible for DTC; instead, eligibility comes from the diagnosis’s effects. The diagnosis must affect psychological activities of daily life such as making decisions, making judgment, memory, concentration, etc. The CRA considers the following conditions as potentially eligible physical impairments for the Disability Tax Credit:

- Chronic pain
- Visual Disabilities
- Hearing Disabilities
- Elimination Disabilities
- Diabetes

Disability Tax Credit Eligibility for Mental Illness & Psychological Impairments

Mental Illness can have consequences on an individual's ability to accomplish daily tasks. In severe cases, it can affect even a person's ability to take care of themselves without professional intervention. The CRA considers the following conditions as potentially eligible impairments for the Disability Tax Credit:

- Mood disorders (such as depression or bipolar disorder)
- Anxiety disorders
- Personality disorders
- Psychotic disorders (such as schizophrenia)
- Eating disorders
- Trauma-related disorders (such as post-traumatic stress disorder)
- Substance abuse disorders

Disability Tax Credit Eligibility for Neurological Impairments

Neurological impairments affect the brain and prevent it from accurately or consistently controlling the body in severe cases. Working with a neurological impairment can be incredibly difficult as it makes things such as holding objects or walking independently challenging. CRA considers the following conditions as potentially eligible neurological impairments for the Disability Tax Credit:

- Multiple sclerosis
- Alzheimer's disease
- Parkinson's disease
- Epilepsy
- Stroke

What is "Markedly restricted" as it pertains to the eligibility for the Disability Tax Credit?

"Markedly restricted" is also identified as a qualifying criterion when:

- The individual cannot perform, or take an inordinate amount of time to complete two or more of the ADL's listed above, even with therapeutic assistance, technological/adaptive devices, and/or medication.
- "inordinate amount of time": usually three times longer than the amount of time an abled person of the same age would take to complete the activity.
- The severe restriction must affect the individual 90% of the time or more. The combination of two or more moderate restrictions such as walking and dressing, for example, cumulatively, adds up to a 90 percent restriction.

For example:

"Greg M, was diagnosed in 2005 with Osteoarthritis, underwent knee surgery in the same year due to tears in both knees. It takes him 3 times longer than a normal person to walk or perform any other activities in daily living. Greg has to sit to put on garments and socks. His wife does most of the housework due to his severe condition. Greg's impairment is considered "markedly restricted" and his application was approved by the CRA"

Life-Sustaining Therapy as a Disability Tax Credit Eligibility Marker

Life-sustaining therapy is another marker of Disability Tax Credit eligibility. One must spend an excess of 14 hours per week on the treatment required for survival, such as insulin therapy, chest physiotherapy (helps with breathing), and kidney dialysis (blood filter).

While the term “life-sustaining therapy” may sound daunting, it is recognized as a treatment that takes up a substantial amount of money and time. Therefore, individuals whose lives depend on life-sustaining therapy are subject to receive the non-refundable tax credit to help alleviate the medical expenses, loss of income, etc.

For example:

“Louis G, suffers from Type 1 Diabetes, is presently on injections 4 times/day. He has to take diabetes-related tests daily, which takes up over 2 hours per day, and more than 14 hours a week. The daily injections and tests Louis has to take is considered life-sustaining therapy”

What is “Prolonged Impairment” as it Pertains to the Eligibility for the Disability Tax Credit

The CRA has identified “prolonged impairment” as the working condition to determine one’s eligibility for the DTC.

The following is what they look for when determining if an impairment is considered prolonged:

- The individual requires and receives extensive therapy to aid in performing activities of daily living.
- The individual has had surgeries, hospitalizations, short and long-term disability, employment restrictions, etc.
- The individual’s impairment has lasted or is expected to last for a minimum of 12 consecutive months.

LIST OF PROLONGED IMPAIRMENTS

The following is a list of some of the more common conditions that the CRA continues to mark one’s eligibility for the Disability Tax Credit:

- Osteoarthritis
- Digestion Disorders: Inflammatory Bowel Disorder, Colitis, Prostate Problems
- Limited Mobility Issues – Chronic Pain, Fibromyalgia, Arthritis, Spinal Stenosis, Ankylosing Spondylitis, Back and Neck Problems
- Breathing Disorders: COPD, Emphysema, Tuberculosis, Asthma
- Hearing Impairments
- Cognitive Impairments: Memory Loss, Dementia, Alzheimer’s, traumatic and acquired brain injury, Parkinson’s
- Psychological Disorders: ADHD, Autism, Depression, Panic Disorder, Mood Disorders, Bipolar Disorder, Psychosis.
- Autoimmune Diseases: Rheumatoid arthritis, Diabetes Type 1

How Does the Disability Tax Credit Work?

The DTC is a refund on federal taxes paid by Canadian individuals with disabilities OR their supporters. i.e. if the disabled person or their supporter has paid or is paying federal taxes (usually above 20-25k income), they then can claim and receive a tax credit if approved for the Disability Tax Credit.

The DTC Refund Methods:

1. Retroactive one-time refund – The CRA will evaluate your DTC application and see when you were diagnosed or how long you had the symptoms of the qualifying disabilities; they can approve you for the DTC for up to the past ten years. If you or your supporter have been paying federal taxes during those years, you will receive a lump sum payment as a refund for the years you were found eligible.
2. Annual refund – if you have been found eligible to receive the DTC, you will be able to claim the DTC refund annually when you prepare your taxes. But, please be aware that most DTC's expire after a few years and will require you to re-apply. A key to understanding how the DTC application process works is to understand the differences between the disabled and the claimant.

What is the Difference Between the Disabled and the Claimant?

When a person is applying for the DTC, they can be both the disabled and the claimant, but there are many situations where the disabled and claimant are not the same person, so we must understand the difference between both.

THE DISABLED:

The Disabled is the individual who has impairments or conditions that qualify them for the DTC.

In many cases, the person's impairments may have prevented them from working and paying federal taxes. They will qualify for the DTC based on their impairments and can "transfer" those credits to their supporter, who will then become the claimant.

THE CLAIMANT:

To be considered as a claimant by the CRA, you must meet the following criteria:

- The disabled person is your spouse, common-law partner, parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, or nephew.
- If you are not related to the disabled person but you can prove to the CRA that you support the disabled person with the necessities of life i.e. food, shelter, and clothing. **For example**, Ian is 26 years old and lives on his own but his parents pay his rent, buy his food and clothing. Ian's parents can claim the DTC amount if Ian is eligible for the DTC. To learn more please see CRA's information about Line 31800 – [Disability amount transferred from a dependant](#).

Also, you can't claim the disability amount that was transferred from the dependent for a child that you did not pay child support for. Though, if separated from your spouse or common-law partner for a portion of the year you are applying for, special rules may apply.

Can You Split the Disability Amount with Another Supporter?

You can split any unused part of the disability amount with an additional supporting person. However, the amount claimed for the dependent can't be more than the maximum amount allowed for that dependent.

Important Notes:

- Paying federal taxes is NOT an eligibility criterion for the DTC as it is not based on your income rather your impairments.
- Once you're found eligible for the DTC, and you want to maximize the refunds, you can transfer the credits to your supporter (some or all of the years)
- In child Disability Tax Credit cases, you don't need to pay federal taxes. If a child is found eligible for Disability Tax Credit, the parent/guardian will have their Canada child benefits increased for those years.

Once You're Approved for Disability Tax Credit

After being approved for DTC, you are eligible for several other federal, provincial, or territorial programs, such as:

[COVID One-Time Relief Payment to Persons with Disabilities](#)

One-Time Relief Payment to Persons with Disabilities is a non-taxable, non-refundable, one-time payment for up to \$600 is available for those with disabilities who require additional assistance due to expenses incited by the COVID-19 pandemic.

[The Registered Disability Savings Plan](#)

Registered Disability Savings Plan (RDSP) is a savings plan that provides disability savings grants and bonds to disable, eligible Canadians.

[The Canada Disability Savings Bond:](#)

The Canada Disability Savings Bond offers \$1,000 a year to families who make between 30,000 \$45,916 or less.

[The Canada Disability Savings Grant](#)

The Canada Disability Savings Grant offers \$1,500 if you contribute \$500 to RDSP and an additional \$2,000 if you contribute \$1,000, which can be done once a year.

How to Apply For The Disability Tax Credit?

The DTC application process is relatively simple, straightforward, and essentially free. Anyone can print out the T2201 forms, take them to their doctor and send them to the CRA. However, qualifying and getting approved for the DTC is not so simple – as a result, a large percentage of Canadians are denied by the CRA. Each individual circumstances are different and so we suggest you consider one of the following routes accordingly:

Option 1: Completing the Disability Tax Credit Application on Your Own

1. Download the [T2201 Form](#) from the [CRA's](#) website
2. Print the T2201 and take it to your health care practitioner to fill out and sign.
3. Send the signed T2201 by mail to the [CRA's](#) processing center.

The main benefit of taking this “DIY” route is the minimal cost associated with it. The only fee attached to applying independently is the one paid to the health practitioner for filling out the form, which is usually \$25 to \$150.

As per Ontario Medical Association's [Physicians Guide to Uninsured Services](#). This fee is capped at \$44.95 for the authorized medical practitioner to fill part B of your form and certify your medical conditions highlighted in form T2201.

However, there are a few drawbacks to the “DIY” approach:

- Many health practitioners are not familiar with the eligibility criteria and may not fully and thoroughly certify your condition.
- Many medical practitioners do not have the time to invest in your case, nor do they make an effort to describe your conditions to the CRA adequately.
- Your DTC application may result in a “follow-up questionnaire” request from the CRA. This questionnaire requires further details and an in-depth explanation of your impairments and their effects on your “activities of daily living,” to be provided by your medical practitioner. Some medical practitioners may confuse this questionnaire as they must spend more time and effort with you and your DTC application. If not filled accurately and adequately, your DTC application will be denied by the CRA.
- If your application is successful and you get approved for the DTC, you may not have the knowledge & understanding of how to maximize your credits and applicable benefits. Therefore, you may not have access to the maximum refund that is available to you.

Option 2: Completing the Disability Tax Credit Application with the Help of An Accountant or a Bookkeeper

Most accountants and bookkeepers look at the DTC as a part of the Canadian Tax code so for them it is a simple tax document. Once you inform your accountant about your qualifying disability, they will print out the T2201 and suggest that you have it filled out and signed by your doctor. Again, the main benefit is the minimal cost involved: Most accountants consider this a simple service and will not charge you for their advice.

There are a few drawbacks of using an accountant or bookkeeper:

- Accountants have very little knowledge of the eligibility criteria required by the CRA, and they will usually just refer you to your doctor.
- If approved, the accountant may charge a flat fee as they will need to apply for the credits and benefits on your behalf.

The two options above can work well if the applicant's impairments are severe and their medical practitioner has experience and understanding of the eligibility criteria for the DTC.

However, not all cases are "clear-cut" and simple. Most DTC applicants may fall into a "gray area" where they may demonstrate some qualifying impairments but not enough to be found eligible.

It is important to note that if your DTC application was denied by the CRA, reversing their decision is more challenging as you have to "explain" your impairments differently and possibly work with another medical practitioner.

Option 3: Completing the Disability Tax Credit Application with the Help of a DTC Firm

Some disabled Canadians choose to go with the third option of hiring a [specialized Disability Tax Credit firm](#) to help them with the whole application process.

There are many benefits to working with a specialized DTC firm (like Disability Credit Canada):

1. The firm has a strong understanding of the eligibility criteria and knows the specific CRA requirements for various disabilities.
2. The firm will review your medical records and communicate with your medical practitioner. They will then work with them to fill out the T2201 certificate and, if necessary, fill out the "follow-up questionnaire."
3. Once your DTC application is approved, the firm will apply for all credits and benefits and work towards maximizing the amount of refund you are eligible to receive.
4. It is stress-free – most of the work is taken care of by the DTC firm.
5. Most DTC firms work on a NO WIN NO FEE basis. They have an incentive to get you approved and once approved ensure that ALL credits, refunds, and benefits are maximized. If the application is not successful, you don't have to pay any cost.
6. Most DTC firms will also cover most if not all expenses accrued during the application process (doctor fees, medical records, etc.)

The only drawback to working with a DTC firm is the fee at the end of the process. Once your application is approved and you receive the refunds you deserve you will be required to pay the firm a certain percentage of the retroactive refunds recouped by them.

How Long Does it Take to Process a Disability Tax Credit Application?

Regardless of how you might choose to pursue your [Disability Tax Credit Application](#), it will typically take [between 3 to 9 months](#) for the CRA to process your DTC application. The time frame varies widely and is determined by the time of year, processing centre location, and the complexity of your impairment or application.

Furthermore, if you do get approved for previous years, your tax returns will be reassessed, and it will take another 1-3 months before you receive your retroactive refunds and credits.

Some cases can take as fast as three months, but some may take over a year to finalize.

How do I Fill Out a Disability Tax Credit Form?

Filling out the T2201 certificate (the Disability Tax Credit form) accurately is extremely important to your DTC application's success and expediency. As we are dealing with a governmental agency like the CRA, incorrect or insufficient information can easily lead to serious delays and possible denial of the application. In the following section, we will break down each part of the DTC certificate (T2201), explaining what information is needed to complete your application.

What Is the Disability Tax Credit Form T2201?

To apply for the DTC, one must submit a signed DTC Certificate, T2201, to the CRA.

First, download the DTC certificate T2201 from the CRA's website, then print it out, and take it to your medical practitioner, have them sign, i.e. certify the application, and only then can you submit it to the CRA.

What Are the 2 Main Components of the Disability Tax Credit Certificate/Form T2201?

The Disability Tax Credit certificate, Form T2201, consists of 2 main components:

1. Part A: You must enter the personal information of the disabled person and the claimant (if they are not the same person). Some of the information you will be asked to provide in this section is Name, Address, Date of Birth, and Social Insurance Number.
2. Part B: To be filled and certified by a medical practitioner (this part encompasses pages 3-6 of the T2201 Form)
 - The medical practitioner will be asked to certify your medical state in areas including Vision, Speaking, Hearing, Walking, Eliminating (bowel or bladder functions), Feeding, Dressing, and Mental Functions.
 - The corresponding health care practitioner must fill out each part. For example, the vision section must be certified by a medical doctor or optometrist, and the hearing section must be certified by a medical doctor or audiologist.
 - Page 4 (top): This page is only to be completed if the disabled are on life-sustaining therapy and must be completed by a doctor.
 - Page 4 (bottom): This page is about the cumulative effects of your daily living restrictions.
 - Who can fill out Part B of the Disability Tax Credit Certificate/Form T2201?
 - The CRA will not consider just any "medical practitioner" as a signing authority on the DTC Form T2201.

Below is a full list of different medical practitioners authorized to certify Part B of The DTC Certificate Form T2201:

- Vision: Medical doctor, nurse practitioner, or optometrist
- Speaking: Medical doctor, nurse practitioner, or speech-language pathologist
- Hearing: Medical doctor, nurse practitioner, or audiologist
- Walking: Medical doctor, nurse practitioner, occupational therapist, or physiotherapist
- Eliminating (bowel or bladder functions): Medical doctor or nurse practitioner
- Feeding: Medical doctor, nurse practitioner, or occupational therapist
- Dressing: Medical doctor, nurse practitioner, or occupational therapist
- Mental Function Necessary for Everyday Life: Medical doctor, nurse practitioner, or psychologist
- Life-sustaining Therapy: Medical doctor or nurse practitioner
- Cumulative Effect of Significant Restrictions: Medical doctor, nurse practitioner, or occupational therapist

Important Notes:

In the 2017 Federal Budget, nurse practitioners (not to be confused with “registered nurses”) have been included in the medical practitioners’ list authorized to certify DTC Certificates for any functions that medical doctors can do.

Providing Nurse Practitioners the ability to certify the DTC just like medical doctors is great news for Canadians living with disabilities. Nurse Practitioners are their first point of contact (e.g., Canada’s North, remote communities, etc.)

Once you have filled out the T2201 and have it signed by your medical representative, you can send it along with other accompanying medical documentation to the CRA in one of the following ways:

- Upload Online using your MY CRA Account
- Mail it to your local Tax office.

After submitting the T2201 form to the CRA, it takes anywhere from 3 to 9 months to get approved or denied. During that period, the following may happen:

1. The CRA may send a “Questionnaire” directly to the medical professional who signed the certificate and ask them to clarify some of the points needed to decide if the impairments and the information submitted to them are not evident. The medical practitioner must answer all questions and send them back to the CRA in a timely fashion.
2. The CRA will approve your application. Once approved, the CRA will send you a “Notice of Determination” mentioning the years you were found eligible. Once approved, the CRA will reassess your retroactive taxes and issue you a refund for the retroactive years.
3. The CRA will deny your application.

Appealing the Denial of Your Disability Tax Credit Application

- You can call the CRA and request further clarification on your application.
- You can write the CRA and request a review of your application. In such a case, you should also include any new or updated medical report or letter from a medical practitioner who is familiar with your situation.
- You can appeal the CRA’s decision by raising a formal objection within 90 days of the CRA sending you a “Notice of determination.”
- You can submit a “fresh” T2201 form using new information about your impairments and/or use a different medical practitioner with more specific knowledge and a better understanding of your impairment and/or the DTC eligibility criteria.

How Is the Disability Tax Credit Calculated?

Calculating the Disability Tax Credit and understanding how much money you will receive at the end of the DTC process can be a daunting task for the average person who is not an accountant or a bookkeeper. To simplify it, one must understand that the DTC comprises a “Base Amount” and, where applicable, a “Supplemental Amount.”

Furthermore, the “Base Amount” and “Supplemental Amount” portions are given from both federal and provincial sources:

- The federal DTC portion is 15% of the disability amount for that tax year.
- The “Base Amount” maximum for 2020 is \$8,576, according to CRA’s Indexation Chart.
- The supplemental amount for children with disabilities is a maximum of \$5,003 (2020), According to the CRA’s Indexation Chart.
- The provincial DTC portion is approx. 10% (percentage varies from province to province) of the disability amount for that tax year.

The Disability Tax Credit Base Amount for 2020

If the eligible person is an adult, he/she will receive the federal and provincial “Base Amount” ONLY. For example:

- The federal disability amount for 2020 is \$8,576, and 15% of that is \$1,286.40
- The provincial disability amount in Ontario for 2020 is \$8,712, and 10% of that is \$871.20

Therefore, a DTC eligible adult in Ontario would have received $\$1,286.40 + \$871.20 = \$2,157.60$

The Disability Tax Credit Supplemental Amount for 2020

If the eligible person is under 18 years of age at the end of the tax year, then he/she will be eligible to receive the “Base Amount” as well as the “Supplemental Amount.” For example:

- The federal supplemental disability amount for 2020 is \$5,003, and 15% of that is \$750.45
- The provincial supplemental disability amount is for 2020 is \$5,081, and 10% of that is \$508.10

Therefore, a DTC eligible MINOR in Ontario would have received:

- “Base Amount” as calculated above of \$2,071.75
- “Supplemental Amount” of $\$750.45 + \$508.10 = \$1,258.55$

If we add “Base Amount” and “Supplemental Amount,” we will see that an eligible person under 18 years of age in Ontario would receive \$3,416 in Disability Tax Credits for the 2020 tax year.

To make it even easier to understand and to be able to calculate the approx. Disability Tax Credits you are eligible for you can follow the formula below:

- An eligible adult can receive a total of \$1,500-\$2,500 per year of eligibility.
- An eligible Minor can receive a total of \$3,000-\$4,500 per year of eligibility.

To summarize, to calculate the total amount of DTC you stand to receive, you need to multiply the number of years by the amount per year.

DISABILITY CREDIT CANADA

Disability Tax Credit Calculation Examples:

In order to calculate the total amount of disability tax credit you stand to receive, you need to multiply the number of years by the amount per year.

- If an adult is found eligible to receive the Disability Tax Credit for the past 10 years, he/she will receive between \$15,000 and \$25,000 in a lump sum amount.
- If a minor is found eligible to receive the Disability Tax Credit for the past 10 years, he/she will receive between \$30,000 and \$45,000 in a lump sum amount.

If your Disability Tax Credit application has been approved and you are trying to figure out how much you'll be receiving, our Disability Tax Credit Calculator is available on Disabilitycreditcanada.com to help you further understand and estimate your refunds.

MAXIMUM DISABILITY AMOUNTS (FEDERAL)

| YEAR | MAXIMUM DISABILITY AMOUNT | MAXIMUM SUPPLEMENT FOR PERSONS UNDER 18 |
|------|---------------------------|---|
| 2020 | \$8,576 | \$5,003 |
| 2019 | \$8,416 | \$4,909 |
| 2018 | \$8,235 | \$4,804 |
| 2017 | \$8,113 | \$4,733 |
| 2016 | \$8,001 | \$4,667 |
| 2015 | \$7,899 | \$4,607 |
| 2014 | \$7,766 | \$4,530 |
| 2013 | \$7,697 | \$4,490 |
| 2012 | \$7,546 | \$4,402 |
| 2011 | \$7,341 | \$4,282 |
| 2010 | \$7,239 | \$4,223 |
| 2009 | \$7,196 | \$4,198 |

Frequently Asked Questions

Disability Tax Credit Eligibility Related Questions

Q: Will I still be eligible to apply for the Disability Tax Credit even if I do not have a taxable income as my disability prevented me from working?

Yes, you can. As previously explained, your impairment's effect on your daily living is what determines your eligibility for the DTC. If you do not have a taxable income, but you have someone supporting you who is paying Federal taxes, then you can apply for the DTC. If found eligible, you can transfer the credits to your supporter as long as you can prove that he/she has provided you ongoing support for food, shelter, and clothing in the years the qualifying disability existed.

Q: If I am deemed eligible for the Disability Tax Credit, will it affect my chances of getting approved for other government loans such as OSAP?

No. not at all. The Disability Tax Credit is a federal program aimed at helping tax paying Canadians and is not affected or related to other government or provincial programs such as OSAP/student loans, ODSP, AISH etc.

Q: Can I still qualify for Disability Tax Credit if my condition has since improved?

If the physical or mental condition/impairment was present for at least 12 months, continuously, sometime during the last 10 years, you can still apply for Disability Tax Credit.

Disability Tax Credit Application Process Questions

Q: How long does it take to get the Disability Tax Credit?

The Disability Tax Credit application process is different from one individual to another, but it can be broken down into 2 main stages:

- **Approval stage** - Once you send the Disability Tax Credit certificate, form T2201 to the CRA, they will assess the information provided by your medical practitioner and determine if you are eligible for the DTC. The CRA may not find sufficient evidence within the T2201 form and will often request additional information from your health practitioner where applicable. This whole process can take anywhere from 6 weeks to 6 months.
- **Reassessment stage** – Now that CRA found you eligible for the Disability Tax Credit they will re-assess your eligible years' taxes to determine the amount you should be receiving retroactively. If you did not pay taxes in those years, you may want to transfer the credits to a supporting person so they can receive the refunds. The reassessment process can take a few weeks or up to 6 months or more depending on the complexity of the person's tax filings, their supporter's credit transfer etc.

To summarize, the total duration of the Disability Tax Credit application process can be as short as 3 months but in some cases it can take over a year. On average, you should expect about a 6 month turn around time from beginning to end.

Q: Where do I send my forms to?

Tax services offices (TSO) are located throughout Canada. Find the one serving your area on the [CRA website](#). – provided with the updated list of centers

Q: Once I've been approved for the Disability Tax Credit, do I have to re-apply each year?

No, you do not need to re-apply every year. In most cases, the CRA approves the applicant for several years in the future (usually 3-5 years). When your DTC eligibility expires you must go through the application process again (just as you did initially). Note: If the CRA determines that your impairment is irreversible or have no chance of improving they may approve you indefinitely.

Q: Can I re-apply for Disability Tax Credit if I was previously denied?

Yes, you can. A person can re-apply for the DTC as many times as they want without penalty. However, if your Disability Tax Credit application was previously denied you now must work twice as hard to get it overturned. In our experience, if the CRA has previously denied your DTC application, the re-applying process requires a thorough and proper approach to formulate the new application, as we don't know what the reason was for their denial. If you had been denied, we strongly recommend that you contact a specialized Disability Tax Credit firm to help you.

Q: Should I wait until income tax time (spring) to claim this credit, since it is an income tax credit?

If you were found eligible to receive the DTC for previous years, you don't have to wait for "tax season" to request the reassessment. However, if you were approved and already received your retroactive refund, you should be claiming the Disability Tax Credits annually when preparing your taxes. If you "neglect" to claim the DTC while preparing your taxes, you will not receive the refund for that year as part of your tax refund. Please note: if you are eligible and you neglect to claim the Disability Tax Credit refund when preparing your taxes, it doesn't mean that the money is lost rather, you will now have to request the CRA to re-assess that specific year, which will take longer to process as compared to claiming the DTC when filing your taxes.

Q: Can I still apply for the Disability Tax Credit if my condition has improved?

If you can prove that the physical or mental condition/impairment was present for at least 12 months, continuously, you can apply for Disability Tax Credit.

Q: Can I apply on behalf of my child, or a family member?

The answer is YES for both cases. Not only can parents of children with disabilities apply for the Disability Tax Credit on behalf of their children, the Canadian government grants additional amounts for children under 18. In many situations, we can claim these additional amounts even if the child is now over 18. In the family member case, if the person with the disability does not have sufficient income to qualify for the full amount, then you can receive the credits directly. To understand the relationship between the disabled and the claimant see page 7 section: "What is the difference between The Disabled and The Claimant?"

Q: Can I apply for the DTC on behalf of a deceased person?

If the disabled person passed away but he/she had eligible impairments in the years before their passing, they can qualify for the DTC.

In order to claim the Disability Tax Credit for a deceased person you must:

1. Prove your support or relationship to the deceased person – spouse, dependent, family member etc.
2. Have a will or executorship giving you the power to act on their behalf

Disability Tax Credit Claiming Related Questions

Q: How to claim the disability amount once the DTC application is approved?

You can claim the disability amount on your tax return once the person with the disability is eligible for the DTC. Following are the instructions if you are claiming in the same year you are preparing your taxes:

- To claim the disability amount for yourself, see line 316.
- To claim the disability amount for your dependant, see line 318.
- To claim the disability amount for your spouse or common-law partner, see line 326.

NOTE: If a person was eligible for the Disability Tax Credit for previous years but did not claim the disability amount when they filed their tax return, they can request the CRA to re-assess their adjustments for up to 10 years retroactively.

Q: How do I know if my Disability Tax Credit is claimed?

You can sign in to your CRA online account and check your past year Income Tax Report for Line 316 (if you were claiming for yourself), Line 318 (if you were claiming for your dependant) or Line 326 (if you were claiming for your spouse or common-law partner)

Q: What is the difference between the Canadian Disability Tax Credit (DTC) and other health related income benefits programs?

- The Disability Tax Credit is a federal program that is a refund on federal taxes paid by Canadian with disabilities
- Other health related income benefits programs, such as ODSP (Ontario), AISH (Alberta), Disability Assistance (British Columbia) are financial support programs, operate on provincial scale.
- You can still access your provincial financial support refund from the ODSP, AISH or Disability Assistance while being eligible for the Disability Tax Credit.
- Moreover, the Canada Pension Plan (CPP), is administered by the Human Resources and Social Development department of the government and is the largest long-term disability pension plan of its kind in Canada.
- The CPP operates as insurance, once a person contributes into the CPP during prior working years; he/she will receive a monthly payment that is determined based on the contributed amount.

Q: Does the Disability Tax Credit benefit expire?

The CRA will review your application and will send you a letter to notify you of your approval for the Disability Tax Credit and the time frame you were found eligible for.

For example, if you were found eligible from 2015 to 2023, the letter will state the following: “2015 - 2023 - You are eligible to claim the disability tax credit for yourself.”

In our experience, the CRA will often approve a person’s DTC for up to 3-5 years into the future, based on the severity and the status of the disability.

Once your Disability Tax Credit eligibility expires, you must re-apply and prove your disability to the CRA again, just like you did the first time around.

NOTE: in small percentage of applications the CRA may find the applicant’s impairments irreversible and therefore grant them indefinite eligibility i.e. their Disability Tax Credit eligibility will never expire.

Common Reasons for DTC Denial

- **Incomplete form:** missing or incomplete information on the t2201 certificate is often the reason for denial. Make sure to fill out the application correctly and thoroughly review it before submitting it to the CRA.
- **Medical Practitioner:** Most applicants use their family doctor to certify their t2201 because the family dr. is usually the one who is the most familiar with the history of your impairment. In some cases, the doctor may have retired or will not complete it to the best of their ability. Some doctors are not familiar with the eligibility criteria or aren't "motivated" to fill out the form on your behalf. The medical practitioner's role is crucial. You should do your best to use a medical doctor who is motivated to help you and is willing to spend extra time with you to understand your impairments and describe them to the CRA.
- **Lack of knowledge:** Some medical practitioners are not familiar with the DTC's eligibility criteria and how the CRA makes its decisions.
- **Consistency of Medical Diagnosis:** As discussed above, the CRA may send a "questionnaire" to the medical practitioner requesting additional clarifications. If the information supplied in the t2201 is not consistent with the answers given, the CRA may deny the application.
- **Impairment Didn't Qualify:** the CRA wants to know how the impairment affects your "activities of daily living" (ADLs), not the diagnosis. Therefore, the medical practitioner needs to highlight how these impairments affect daily living's basic functioning.
- **Duration of Impairment:** The CRA will not approve your DTC if your impairments are diagnosed less than 12 months before applying for the credits and/or the impairment affects your ability to perform the basic function of daily living less than 90% of the time.
- **Cumulative effects of impairment:** It is common for the medical practitioner to fill out the t2201 focusing on one impairment only. However, most impairments affect the disabled person in various ways and cause a "cumulative effect" therefore; it is imperative to include those cumulative effects in the t2201.
- **Supporting Medical documents:** you should include all supporting reports or documents that are important and relevant to the application.

Disability Tax Credit Case Studies

At Disability Credit Canada, we are always out for our clients' best interest and use our vast knowledge and many years of experience to formulate the best case possible.

To give you a good idea of what working with a DTC firm can do when applying for the tax credit, we have highlighted some of the more recent cases we have worked on that succeeded.

Here are some examples of [DTC cases](#) we have worked on in the past:

[Sadie, 5 from Ontario suffering from Ehlers Danlos Syndrome](#)

Sadie was diagnosed with Ehlers Danlos Syndrome (EDS) at 3, wears a Spio suit (meant to brace her fragile body), requires extensive one-on-one care with ADL (activities of daily living) as well as speech therapy and physiotherapist. Despite her severe impairments Sadie's initial Disability Tax Credit application was denied by the CRA so when her parents approached DCCI we carefully reviewed the original DTC application and found several issues that had to be corrected in order to have the application approved. We reviewed Sadie's medical records; spoke with her paediatrician and medical specialists, then thoroughly formulated a new case using the new information. The CRA reviewed Sadie's DTC appeal and found her eligible for the DTC from 2016 to 2023. Sadie's parents received a total of \$8,454.84 in retroactive refund and are expecting about \$4000 each year in Child Disability Benefits for the next 5 years.

[Greg, 65 from Ontario suffering from Osteoarthritis](#)

Greg was diagnosed in 2005 with Osteoarthritis, underwent knee surgery in the same year due to tears in both knees. It takes him 3 times longer than a normal person to walk or perform any other activities in daily living. Greg has to sit to put on garments and socks. He has difficulties standing up from seated position, and this action can cause him serious pain. His wife does most of the housework due to his severe condition. Disability Credit Canada formulated a case for Greg based around his "markedly restricted" impairments. Greg's Disability Tax Credit application was approved, and he was found eligible to receive the DTC from 2012-2023. His retroactive refund was \$10,552.76.

[Louis, 58 from Quebec suffering from Type 1 Diabetes](#)

Louis suffers from Diabetes Type 1 which requires him to be injected with insulin 4 times per day as well as check his blood a few times daily. Disability Credit Canada worked with Louis' physician to formulate a case where we detailed the amount of time, effort and activities Louis is doing on daily basis and submitted that information to the CRA as part of Louis' DTC application. Louis DTC was approved; he was found eligible to receive the DTC from 2000 to 2022 and he got \$9,582.88 in retroactive refunds.

[Ruta, 55 from Ontario suffering from a Depressive Disorder](#)

Ruta's major depressive disorder was diagnosed in 1998 and she became drug resistant 6 years ago, due to her severe mental disorder, Ruta cannot perform daily living activities and cannot make appropriate decisions or judgments. In order to approve Ruta's DTC the CRA requested additional information from her physician. Disability Credit Canada reviewed the medical history again and worked with the Dr. to provide the CRA with the information they requested. Ruta's DTC was approved, she was found eligible for the DTC from 1986-2023 and received \$16,135.76 in total retroactive refund.

Conclusion

The Disability tax credit's purpose is to reduce the amount of income tax Canadians with disabilities and/or their families and supporters would have to pay annually to assist with the various financial implications and medical expenses of having a disability or a substantial impairment.

Many Canadians believe that the tax credit is exclusively for those who are severely disabled. However, the program was created for those who struggle with activities of daily living but are still capable of working.

Another common misconception surrounding the tax credit is that you are deemed disabled if eligible, creating a stigma around DTC in the process. While the program is a disability benefit, being accepted for it does not imply that you are disabled, as mentioned previously, the tax credit is for those who are still working but require additional assistance.

It is also important to note that many are not aware of the qualifying criteria and believe that simply submitting the T2201 form is enough to be approved for the tax credit. Instead, you must carefully and thoroughly build your case to ensure that as much information about your debilitating condition is included, along with evidence that backs up your claims.

We have created this guide to help Canadians better understand DTC to apply on their own. This guide has covered applying, eligibility, additional benefits, differing options for applying and the positives and negatives of each, how much you could stand to earn, and much more. Our goal is to create the most comprehensive guide available so you can apply to DTC with confidence.

We hope that we have provided you with all of the information you need to get started on your application. Disability Credit Canada has helped thousands of Canadians apply for the Disability Tax Credit and we would be more than happy to help you too.

For a free, no-obligation assessment call toll free: 1-844-800-6020 or [request an assessment](#) on our site.



208-3701 Chesswood Dr.
Toronto, ON M3J 2P6 Canada
W: DisabilityCreditCanada.com
E: Info@DisabilityCreditCanada.com
P: 1-844-800-6020 | F: 647-846-7542